

China CITIC Bank Corporation Limited

Letter of Authorization for 2020

(To: London Branch)

January 2020

China CITIC Bank Corporation Limited

Letter of Authorization for 2020

London Branch,

Pursuant to the *Measures for the Management of Authorization to President of China CITIC Bank Corporation Limited*, the authorized person is hereby allowed to exercise the following operation and management authority according to the Letter of Authorization for 2020 (hereinafter referred to as “the Letter”) and the branch head accepts the Letter on behalf of London Branch (hereinafter referred to as “the Branch”).

I. Contents of Authorization

The Letter represents a formal authorization the Head Office gives to the head of London Branch who may delegate his or her authority within the scope of authorization. As per the Letter and the local laws/regulations of Britain, the head of London Branch shall take full charge of operation and management of London Branch.

i. Overview of authorization

The head of London Branch has the authority to

1. operate London Branch to achieve its strategy targets;
2. make decisions on the affairs not covered by the Letter at the operational level according to the internal governance arrangements available London Branch;
3. delegate some of his or her authorization to the directly subordinate (like deputy head or chief risk officer);
4. contact with British regulators (PRA and FCA specifically) on behalf of the Head Office;
5. hire and dismiss London Branch employees (which include the Management Committee members). To hire or dismiss the employees dispatched by the Head Office, the branch head shall take into account the opinions from multiple parties, but the decision-making process shall comply with the internal governance framework of the Branch. He or she is entitled to turn down the recommendations made by the Head Office for local or Chinese employees.
6. approve the local documents required by the business of the Branch and other pertinent documents which meet the requirements of local government -organisations (such as HM Revenues and Customs).
7. sign legal documents related to the Branch on behalf of the Head Office; and
8. refuse to carry out any business recommendations made by the Head Office, if they fail to meet local regulator requirements or strategic targets of the Branch;

ii. Types of authorization

To align the Branch’s strategic targets with the Head Office’s risk appetite, the following

authorization quotas are set out for different categories of business:

1. Authorization for credit approval

The table below sets out the quotas for credit lines that can be approved by London Branch as well as related explanations and definitions:

1. Authorization for credit approval to customers

<u>Moody's</u>	<u>S&P</u>	<u>Fitch</u>	<u>Head Office rating</u>	<u>Financial institution customer</u>	<u>Corporate customer</u>
Aaa	AAA	AAA	AAA+	\$150mn	\$100mn
Aa1	AA+	AA+	AAA	\$120mn	\$80mn
Aa2	AA	AA	AA+	\$120mn	\$80mn
Aa3	AA-	AA-	AA	\$120mn	\$80mn
A1	A+	A+	A+	\$100mn	\$60mn
A2	A	A	A	\$100mn	\$60mn
A3	A-	A-	BBB+	\$100mn	\$60mn
Baa1	BBB+	BBB+	BBB	\$80mn	\$50mn
Baa2	BBB	BBB	BB+	\$80mn	\$50mn
Baa3	BBB-	BBB-	BB	\$80mn	\$50mn

(1) London Branch shall review and approve the credit limits for its own customers within its risk appetite;

(2) London Branch does not have the authority to extend any credit to a corporate customer whose internal credit rating is lower than BB;

(3) If a financial institutional customer has more than one external credit rating, the lower or lowest one shall always prevail. If a financial institutional customer has no external credit rating, its internal credit rating given by the Head Office shall be followed accordingly.

(4) For a corporate customer, its internal credit rating offered by the Head Office shall prevail.

2. Authorization for financial affairs and expenses

(1) The head of London Branch is also authorized to take other responsibilities concerning daily operation of the Branch. Particulars can be seen in the table below:

Item	Authority of the branch head (Currency: USD)
I. Single expenses	≤\$150,000
II. Capital expenses	
i. Sporadic decoration expenses for business premise	≤\$40,000
ii. Technological input expenses	≤\$150,000
iii. Purchase of general fixed assets	≤\$150,000

Item	Authority of the branch head (Currency: USD)
iv. Other single expenses	≤\$150,000
III. Non-operating income and expenditure	
i. Non-operating income and expenditure from disposal of fixed assets	Depreciation accrued/original value of single asset ≤\$100,000, too high maintenance cost
ii. Non-operating income and expenditure not from disposal of fixed assets	
1. Non-operating income	Cash over, cash error and others shall be handled in accordance with relevant policies and provisions.
2. Cash short-related expense	Cash short, cash error and others shall be handled in accordance with relevant policies and provisions.
IV. Write-off of asset impairment loss	
Asset impairment loss	Single write-off amount won't exceed \$250,000.

Notes:

1. Single expenses refer to financial affairs which should be reviewed and approved as a group of relevant financial conducts (including single financial conducts) rather than separately;

As to the venue rental for off-premise single self-service equipment, the total payment amount in each year of a rental term shall be reviewed and approved as a single expense;

For a single expense no more than \$700 in any of the following types: business hospitality expense, traveling expense, loan collateral registration expense, water and electricity expense, heating expense, printing expense, repair charge, low-value consumables, business promotion expense, collateral evaluation expense, business postage, conference expense, electronic equipment operation expense and afforestation expense, the payment can be made firstly by related employee upon the consent of the authorized person and then be reimbursed through the financial approval procedures of the Branch accordingly;

Conditions not subject to the authorization for payment of single expenses are set out as below:

(1) Salary expenditure: The salary quota verified and approved by the Head Office as well as employee welfare expenses, staff education funds, five social insurances and one housing fund, supplementary insurances and housing allowances in the amounts as prescribed by the financial policies can be disbursed by the authorized person of the Branch through the prescribed procedures.

(2) Water and electricity expense, heating expense for business premise, cash delivery expense, security expense, business postage, notarial expense, audit service expense on decoration project for pre-settlement purpose, dedicated line rental expense, self-service equipment maintenance expense, debit card production expense, voucher delivery expense, collateral evaluation expense and drinking water expense: The above expenses can be disbursed by the authorized person of the Branch on the premise of signing contracts or agreements normally.

(3) Administrative fees charged by governmental departments and judicial organisations: According to relevant provisions, a variety of taxes and fees, pledge registration expense, credit reporting service expense, deposit insurance expense, litigation expense, case handling expense fees, etc. may be disbursed to governmental departments and judicial organisations throughout the prescribed procedures, after related payment is approved by the authorized person.

2. Except for sporadic decoration (each in an amount of no more than \$40,000), purchase, rental (rental renewal) and decoration of business premise shall all be reported to the Head Office for approval.

3. As to other single capital expenses, the total payment amount of one item shall be reported for approval by the authorized person.

4. London Branch may approve or clean up the single fixed assets which meet the following three conditions at the same time, and book/disburse the net profit/loss from the clean-up as non-operating income/expenditure: (1) Fully depreciated; (2) disused due to aging and high maintenance cost; and (3) original amount no higher than \$100,000. Where the self-owned properties meet the re-decoration conditions set out by the Head Office or are to be re-decorated upon the approval of the Head Office, the clean-up of fixed assets formed in the original decoration and renovation shall be approved by London Branch itself. The disposal of other assets needs to be reported to the Head Office for approval as per the applicable provisions one by one.

5. Except for cash long and cash error which should be handled according to the *Cash Payment and Receipt Business Payment of China CITIC Bank* (Version 2.0 in 2015) and the *Cash Error Handling Approval Measures of China CITIC Bank*, other non-operating income affairs shall be handled by London Branch on its own.

6. Cash short and cash error shall be handled according to the *Cash Payment and Receipt Business Payment of China CITIC Bank* (Version 2.0 in 2015) and the *Cash Error Handling Approval Measures of China CITIC Bank* and other applicable provisions.

7. A variety of accounting affairs which arise from administrative/financial expenses, are treated under the accounts receivable or temporary payments and the accounts payable or temporary receipts, and should be cleaned up according to the pertinent provisions in a timely manner shall be approved and handled in accordance with the pertinent provisions.

8. In the event that London Branch commits any violation against regulations, the Head Office shall promptly reduce or cancel the financial authorization for the affairs in the category concerned.

9. The financial affairs not authorized in the table shall be reported to the Head Office for approval beforehand.

10. The approval quotas and payment standards issued by the Head Office for financial affairs of all sorts are the amounts include tax.

11. Operating expenses within the aforesaid scope of authorization may be converted into other currency types based on actual payment needs in the corresponding months.

(2) Delegation and further delegation

① Horizontal delegation

The affairs eligible for delegation and the scope of delegation shall comply with the following provisions:

a. Salary expenditure (excluding the staff education expense and staff welfare expense), conference, traveling and hospitality expenses going beyond the prescribed standards, or

financial affairs subject to special provisions of the Head Office are not eligible for delegation.

b. The persons who can delegate their authorization are only limited to the branch leaders in charge of financial affairs and the departmental head in charge of the Financial Reimbursement Center. The reimbursement approval authorization for a sub-branch head shall be subject to the approval procedures set out in the comprehensive financial management system (details can be seen in the appendix.)

c. Provision for delegation quotas: For the branch leader in charge of financial affairs, his or her delegation quota shall account for up to 30% of the authorization quota eligible for a tier-1 branch head. For the departmental head in charge of the reimbursement center, his or her delegation quota may not exceed 20% of the authorization quota eligible for the branch leader in charge of financial affairs. The authorization for approving the staff education expense and staff welfare expense can be only delegated to the head of a tier-1 branch in charge of financial affairs.

② Vertical delegation

In principle, a tier-1 branch may only delegate its authorization to a tier-2 branch or a non-local sub-branch directly managed by itself, but the delegation quota shall account for up to 20% of the tier-1 branch's authorization quota. Conference, traveling, training and hospitality expenses going beyond the prescribed standards or financial affairs subject to special provisions of the Head Office are not eligible for delegation. Where the delegation is indeed needed under special circumstances, it shall be reported to the Head Office for approval.

③ Horizontal further delegation

A tier-2 branch may horizontally further delegate the authorizations which have been vertically delegated by tier-1 branches. The specific provisions are the same as those fit for horizontal delegation.

3. Authorization for human resource management approval

London Branch shall establish its human resource system and policy, which covers various aspects such as post responsibilities, organizational structure, recruitment policy, employee performance management and assessment, staff salary and welfare framework, and employee violation handling. All arrangements relating to human resources shall comply with the British laws and regulations.

As to staff salary and welfare, the head of London Branch has the authority to do the following as per the British management framework:

(1) decide the bonuses paid to the overseas dispatched employees at the level of department head or below and report the same to the Human Resources Department of the Head Office; and

(2) formulate the salary and welfare standards (salary, bonus, etc.) for native employees.

4. Anti-money laundering (AML) authorization

The head of London Branch is authorized to do the following within the Branch:

- (1) take charge of money-laundering risk management and make related reports to the Head Office directly.
- (2) review the applications for establishing or maintaining business relations with foreign politically exposed persons (PEPs) and for conducting business with sanctioned countries/regions.
- (3) handle the situations which go against the AML risk management policy and procedures.
- (4) review and approve the contingency plans and countermeasures in case of material risk events.
- (5) review and approve the qualifications of candidates for AML risk management personnel.
- (6) review and approve the cross-border information confidentiality measures.
- (7) review and approve the follow-up control measures over the customers, accounts (or funds) and financial products/businesses involved in the suspicious transaction reports. The control measures include but are not limited to: limit the trading method, scale and frequency of the customer or account concerned; put reasonable restrictions on the value, frequency and types of non-counter-based business conducted by the customer; refuse to provide financial services; terminate the business relationship with the customer; etc.
- (8) review the money laundering risk evaluation conclusions reached by the Branch and the effectiveness of risk management measures before it launches new products/businesses, adopts new marketing channels, or applies new technologies into actual use.
- (9) review and approve other AML affairs as per regulatory provisions.

The above AML authorizations except for the first one which is a decision-making authorization all can be delegated. The eight other authorizations can be delegated to the AML Officer and other competent branch leaders by the branch head according to the specific duty division of bank leaders.

5. Financial markets business and risk quota

As per the pertinent provisions set out in the *Administrative Measures of China CITIC Bank for Financial Markets Business Access and Market Risk Quotas*, London Branch shall include its financial markets business access and market risk quotas into the financial markets business line for uniform management and distribution.

iii. Head Office statement

The Head Office confirms the contents:

1. The Letter can be also deemed as a statement London Branch makes on particular risk appetite, with a view to facilitating internal implementation.
2. The head of London Branch shall:
 - (1) always follow various laws and regulations in Britain;
 - (2) always follow the applicable regulatory requirements set out by China Banking and

Insurance Regulatory Commission (CBIRC);

(3) notify the Head Office of any discrepancy between the above two requirements and preferentially follow the legal and regulatory requirements in Britain.

Appendices:

1. Financial Affairs Approval Procedures for Tier-1 Branches of China CITIC Bank
2. Financial Affairs Approval Procedures for Tier-2 Branches of China CITIC Bank
3. Financial Affairs Approval Procedures for Non-local Sub-branches Directly Managed by Tier-1 Branches of China CITIC Bank

II. Authorization Restrictions

When exercising authorizations, the authorized person shall abide by all laws, rules and regulatory provisions as well as various policies and norms of China CITIC Bank and prudentially carry out operation and management activities according to law within his/her authority. The authorized person shall be strictly prohibited from overstepping his/her power to conduct operation and management activities.

III. Punishments for Overstepping the Scope of Authorization

Any behavior overstepping the scope of authorization directly or in disguise shall be deemed as severe violations against provisions and disciplines. The person concerned shall see his or her authorization reduced or canceled and be held accountable as per the applicable national laws and regulations as well as the pertinent rules and policies of the *Bank such as the Employee Violation Handling Measures of China CITIC Bank*.

IV. Validity Period of the Letter

The Letter shall take effect after 30 working days since it is signed by the authorized person and remain valid for one year. If there is no adjustment by the end of validity period, it shall be renewed automatically. During the validity period, the authorized person may dynamically adjust the Letter in the light of actual business and management needs.

The original letter of authorization and related notice on authorization change shall expire, since the date when the Letter takes effect.

V. Work Requirements for Delegation

- i. The authorized person may delegate his or her authorization in writing by proceeding from the actual operation and management needs and following the applicable provisions of the Head Office.
- ii. When the authorized person leaves his or her post for business trips, learning sessions, vacations, or other purposes, the person who takes the post in acting capacity shall exercise his or her authorization. The authorized person may delegate his or her authorization temporarily in the sequence of leadership members. To do so, he or she shall sign and issue the letter of temporary authorization, limit the matters eligible for delegation, and put a tight lid on the validity period of temporary authorization.
- iii. The authorized person shall report his or her delegation to the Head Office department in charge of authorization work for filing purpose.
- iv. As per the business and risk control requirements, the authorized person shall oversee and inspect how the delegation is implemented and dynamically adjust the contents of delegation, so as to make sure various business and management activities can be carried out steadily as per the applicable laws and regulations.

VI. Affairs not Cover by the Letter

The authorized person shall exercise his or her authorization over the affairs that aren't

covered by the Letter within the scope of business prescribed by the pertinent law or the business license and as per the related rules and policies of the Head Office.

In case of any inconsistency between the Letter and relevant provisions on authorization in existing rules and policies of the Bank, the Letter shall prevail.

The authorizer (signature and seal):

January 12, 2020

The authorized person (official seal):

The person-in-charge (signature and seal):

MM/DD/YY

Appendix 1:

Financial Affairs Approval Procedures for Tier-1 Branches of China CITIC Bank

Unit: RMB10,000

No prior financial approval in writing is required	Category of expense	Amount approved by the Branch	Final approval institution	Department/ institution involved	Prior written approval						Reimbursement approval				
					Handle r	Departme ntal head/sub-branch head	Head of the Financial Accounttin g Departme nt	Branch leader in charge of financial affairs	Branch head	Head Office	Handler	Departm ental head/sub -branch head	Head of the Financial Accounting Department	Financial personnel of the Branch (approver)	
	Expense category														
	Business hospitality expense	[0,0.2]	Sub-branch	Sub-branch							1	2		3	
		(0.2,0.5]	Branch								1	2	3		
			[0,0.5]	Branch	Branch department							1	2	3	
	Domestic traveling expense	Within the prescribed standard	Sub-branch	Sub-branch							1	2		3	
		Within the prescribed standard	Branch	Branch department							1	2	3		
	Loan collateral registration expense, water and electricity expense, heating expense	[0, within the branch’s authority]	Branch	Sub-branch							1	2		3	
				Branch department							1	2	3		
Printing expense, material expense, traffic expense, office expense, repair charge, low-value consumables, business promotion expense, collateral evaluation expense, business postage, conference expense (within the prescribed standard)	[0,0.5]	Branch	Sub-branch							1	2	3			
	[0,0.5]	Branch	Branch department							1	2	3			
Electronic equipment operation expense, afforestation expense	[0,0.5]	Branch	Centralized management department							1	2	3			

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	Category of expense	Amount approved by the Branch	Final approval institution	Department/institution involved	Prior written approval					Reimbursement approval				
					Handler	Departmental head/sub-branch head	Head of the Financial Accounting Department	Branch leader in charge of financial affairs	Branch head	Head Office	Handler	Departmental head/sub-branch head	Head of the Financial Accounting Department	Financial personnel of the Branch (approver)
Prior financial approval in writing is required	Expense category													
	Business hospitality expense (within the prescribed standard)	(0.5, within the branch's authority]	Branch	Sub-branch	1	2	3.1	3.2	3.3		4	5		6
		(0.5, within the branch's authority]	Branch	Branch department	1	2	3.1	3.2	3.3		4	5		6
	Domestic traveling expense, business hospitality expense, conference expense going beyond the prescribed standard	Beyond the prescribed standard yet within the branch's authority	Branch	Sub-branch	1	2	3	4	5		6	7		8
		Beyond the prescribed standard yet within the branch's authority	Branch	Branch department	1	2	3	4	5		6	7		8
	Printing expense, material expense, traffic expense, office expense, repair charge, low-value consumables, business promotion expense, collateral evaluation expense, business postage, conference expense (within the prescribed standard)	(0.5, within the branch's authority]	Branch	Sub-branch	1	2	3.1	3.2	3.3		4	5		6
		(0.5, within the branch's authority]		Branch department	1	2	3.1	3.2	3.3		4	5		6
	Insurance expense, cash delivery expense, security expense, credit reporting service expense, notarial expense, audit service expense on decoration project for pre-settlement purpose, dedicated line rental expense, self-service equipment maintenance expense, tax expense, litigation expense, case handling expense, arbitration expense, uniform-related	[0, within the branch's authority]	Branch	Centralized management department	1	2	3.1	3.2	3.3		4	5		6

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expense (incurred by the centralized procurement made by the Head Office within the permitted price range)													
Salary accrued	[0, within the annual budget]	Branch	Centralized management department	1	2	3	4	5		6	7		
Salary disbursed	[0, within the annual budget]	Branch	Centralized management department	1	2			3		4	5		
Staff insurance, housing provident fund, housing allowance, transitional pension subsidy, termination benefits, other expenses in the category of salary	[0, within the annual budget]	Branch	Centralized management department	1	2	3	4	5		6	7		
Staff education expense payable	[0, within the annual budget]	Branch	Centralized management department	1	2	3	4.1	4.2		5	6		7
Employee welfare expense	[0, within the annual budget]	Branch	Centralized management department	1	2	3	4.1	4.2		5	6		7
Electronic equipment operation expense, afforestation expense	(0.5, within the branch's authority]	Branch	Centralized management department	1	2	3.1	3.2	3.3		4	5		6
Advertising expense, lawyer's fee, advisory fee, audit fee, organization cost, labor outsourcing cost, business premise rental, software development and system implementation expense, software maintenance cost, labor protection expense, property management expense, other business expenses	[0, within the branch's authority]	Branch	Centralized management department	1	2	3.1	3.2	3.3		4	5		6
International traveling expense	-	Head Office	Branch department	1	2	3	4	5	6	7	8		9

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95558 calling charge deducted by the Head Office, deposit insurance expense, credit reporting service expense, supervision expense	-	Head Office	Centralized management department						1	2	3		4
Capital expenditure													
Purchase of business premise and official vehicle	-	Head Office	Centralized management department	1	2	3	4	5	6	7	8		9
Decoration of business premise	[0,20]	Branch	Centralized management department	1	2	3.1	3.2	3.3		4	5		6
Rental of business premise	-	Head Office	Centralized management department	1	2	3	4	5	6	7	8		9
Technological input in the category of customer service	[0, within the branch's authority]	Branch	Centralized management department	1	2	3.1	3.2	3.3		4	5		6
General technological input	[0, within the branch's authority]	Branch	Centralized management department	1	2	3.1	3.2	3.3		4	5		6
Purchase of general fixed assets and self-service equipment	[0, within the branch's authority]	Branch	Centralized management department	1	2	3.1	3.2	3.3		4	5		6
Non-operating income/expenditure and suspense													
Non-operating income and expenditure from disposal of fixed assets	[0, within the branch's authority]	Branch	Centralized management department	1	2	3.1	3.2	3.3		4	5		6
Non-operating income not from disposal of fixed assets	∞	Branch	Branch department	1	2	3.1	3.2	3.3		4	5		6
Local charge item	∞	Branch	Centralized management department	1	2	3.1	3.2	3.3		4	5		6
Default compensation, violation-related fine, business dispute-caused compensation, external donation, other non-operating expense	[0, within the branch's authority]	Branch	Centralized management department	1	2	3.1	3.2	3.3		4	5		6
Suspense of administrative financial expense	[0, within the branch's authority]	Branch	Branch department	Implemented as per the <i>Administrative Measures of China CITIC Bank for Suspense of Administrative Financial Expense (Version 1, 2019)</i>						4	5		6

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Notes:

1. The cells highlighted in yellow correspond to the authorized approver; the cells filled in with Arabic numerals are the approval nodes to be performed; and for some business types which correspond to more than one authorized approver, the final authorized approver shall make decisions in the light of actual single business expense amounts and delegation conditions.
2. The competent branch leader approves and related department verifies (by the collateral registration expense disbursement department for example) as a part of business circulation. Non-financial review and approval steps are conducted offline, instead of being included in the financial approval procedures.
3. If the single expenses and capital expenses go beyond a certain amount, the disbursement of such expenses shall be discussed by the Financial Review Committee or the General Manager's Meeting and then submitted to the authorized approver for approval.
4. The pre-event approval shall be gone through the OA system or the paper application signing method. The financial personnel of the Branch shall check the approval details. The Financial Sharing Center shall spot check important affairs.
5. The financial personnel of the Branch shall examine how the business hospitality expenses, domestic traveling expenses, loan collateral registration expenses, and water and electricity expenses which are reviewed and approved by sub-branch heads as authorized.
6. The depreciation, deferred expense amortized, intangible assets amortized, trade union funds accrued, and education funds shall be booked automatically by the system.
7. Except for the suspense of current accounts for daily operation settlement and advance payments under contracts, the suspense of other receivables under contracts shall be reviewed and approved with reference to the approval authorization for financial expenses.
8. Fixed assets reassignment management: Applications for reassigning vehicles among different branches shall be reported to the Head Office for approval one by one. Applications for reassigning self-service machines among different branches shall be submitted to the Retail Banking Department of the Head Office for approval. Applications for reassigning other fixed assets among different branches shall be sent to the Head Office for filing purpose. Applications for reassigning assets within a branch shall be approved by the asset management department of the branch.

Appendix 2:

Financial Affairs Approval Procedures for Tier-2 Branches of China CITIC Bank

Unit: RMB10,000

No prior financial approval in writing is required	Category of expense	Amount approved by the Branch	Final approval institution	Department /institution involved	Prior written approval							Reimbursement approval				
					Tier-2 branch					Tier-1 branch	Head Office	Tier-2 branch			Tier-1 branch	
					Handler	Departmental head/sub-branch head	Head of the Financial Accounting Department	Branch leader in charge of financial affairs	Branch head			Handler	Departmental head/sub-branch head	Branch leader in charge of financial affairs	Financial personnel of the Branch (approver)	
	Expense category															
	Business hospitality expense	[0,0.2]	Sub-branch	Sub-branch								1	2		3	
		(0.2,0.5]	Tier-2 branch									1	2	3		
			[0,0.5]	Tier-2 branch	Branch department								1	2	3	
	Domestic traveling expense	Within the prescribed standard	Tier-2 branch	Sub-branch								1	2		3	
		Within the prescribed standard	Tier-2 branch	Branch department								1	2	3		
	Loan collateral registration expense, water and electricity expense, heating expense	[0, within the tier-2 branch's authority]	Tier-2 branch	Sub-branch								1	2		3	
Branch department											1	2	3			
Printing expense, material expenses, traffic expenses, office expense, repair charge (excluding repair charge on business premise), low-value consumables, business promotion expense, collateral evaluation expense, business postage, conference expense	[0,0.5]	Tier-2 branch	Sub-branch								1	2	3			
	[0,0.5]		Branch department								1	2	3			

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	Electronic equipment operation expense, afforestation expense	[0,0.5]	Tier-2 branch	Centralized management department								1	2	3	
Prior financial approval in writing is required	Category of expense	Amount approved by the Branch	Final approval institution	Department /institution involved	Prior written approval							Reimbursement approval			
					Tier-2 branch					Tier-1 branch	Head Office	Tier-2 branch			Tier-1 branch
					Handler	Departmental head/sub-branch head	Head of the Financial Accounting Department	Branch leader in charge of financial affairs	Branch head			Handler	Departmental head/sub-branch head	Branch leader in charge of financial affairs	Financial personnel of the Branch (approver)
	Domestic traveling expense, business hospitality expense, conference expense going beyond the prescribed standard														
	Business hospitality expense (within the prescribed standard)	(0.5, within the tier-2 branch's authority]	Tier-2 branch	Sub-branch	1	2	3	4.1	4.2			5	6		7
		(0.5, within the tier-2 branch's authority]	Tier-2 branch	Branch department	1	2	3	4.1	4.2			5	6		7
	Domestic traveling expense, business hospitality expense, conference expense going beyond the prescribed standard	Beyond the prescribed standard yet within the branch's authority	Tier-1 branch	Sub-branch	1	2	3	4	5	6		7	8		9
		Beyond the prescribed standard yet within the branch's authority	Tier-1 branch	Branch department	1	2	3	4	5	6		7	8		9
	Printing expense, material expenses, traffic expenses, office expense, repair charge (excluding repair charge on business premise), low-value consumables, business promotion expense, collateral evaluation expense, business postage, conference expense (within the prescribed standard)	(0.5, within the tier-2 branch's authority]	Tier-2 branch	Sub-branch	1	2	3	4.1	4.2			5	6		7
		(0.5, within the tier-2 branch's authority]		Branch department	1	2	3	4.1	4.2			5	6		7

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Insurance expense, cash delivery expense, security expense, credit reporting service expense, notarial expense, audit service expense on decoration project for pre-settlement purpose, dedicated line rental expense, self-service equipment maintenance expense, tax expense, litigation expense, case handling expense, arbitration expense, uniform-related expense (incurred by the centralized procurement made by the Head Office within the permitted price range)	(0, within the tier-2 branch's authority]	Tier-2 branch	Centralized management department	1	2	3	4.1	4.2			5	6		7
Salary disbursed	[0, within the annual budget]	Tier-2 branch	Centralized management department	1	2			3			4	5		
Staff insurance, housing provident fund, housing allowance, transitional pension subsidy, termination benefits, other expenses in the category of salary	[0, within the annual budget]	Tier-2 branch	Centralized management department	1	2	3		3		5	6	7	7	
Staff education expense payable	[0, within the annual budget]	Tier-2 branch	Centralized management department	1	2	3	4.1	4.2			5	6		7
Employee welfare expense	[0, within the annual budget]	Tier-2 branch	Centralized management department	1	2	3	4.1	4.2			6	7		8
Electronic equipment operation expense, afforestation expense	[0.5, within the tier-2 branch's authority]	Tier-2 branch	Centralized management department	1	2	3	4.1	4.2			5	6		7
Advertising expense, lawyer's fee, advisory fee, audit fee, organization cost, labor outsourcing cost, business premise rental, software development and system implementation expense, software	[0, within the tier-2 branch's authority]	Tier-2 branch	Centralized management department	1	2	3	4.1	4.2			5	6		7

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maintenance cost, labor protection expense, property management expense, other business expenses														
International traveling expense	-	Head Office	Branch department	1	2	3	4	5	6	7	8	9		10
Capital expenditure														
Purchase of business premise and official vehicle	-	Head Office	Centralized management department	1	2	3	4	5	6	7	8	9		10
Decoration of business premise	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
Rental of business premise	-	Head Office	Centralized management department	1	2	3	4	5	6	7	8	9		10
Technological input in the category of customer service	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
General technological input	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
Purchase of general fixed assets and self-service equipment	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
Non-operating income/expenditure and suspense														
Non-operating income and expenditure from disposal of fixed assets	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
Non-operating income not from disposal of fixed assets	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
Local charge item	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
Default compensation, violation-related fine, business dispute-caused compensation, external donation, other non-operating expense	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9

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	Suspense of administrative financial expense	-	Tier-1 branch	Centralized management department	Implemented as per the <i>Administrative Measures of China CITIC Bank for Suspense of Administrative Financial Expense (Version 1, 2019)</i>	7	8		9
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Notes:

1. The cells highlighted in yellow correspond to the authorized approver; the cells filled in with Arabic numerals are the approval nodes to be performed; and for some business types which correspond to more than one authorized approver, the final authorized approver shall make decisions in the light of actual single business expense amounts and delegation conditions.
2. The competent branch leader approves and related department verifies (by the collateral registration expense disbursement department for example) as a part of business circulation. Non-financial review and approval steps are conducted offline, instead of being included in the financial approval procedures.
3. If the single expenses and capital expenses go beyond a certain amount, the disbursement of such expenses shall be discussed by the Financial Review Committee or the General Manager's Meeting and then submitted to the authorized approver for approval.
4. The pre-event approval shall be gone through the OA system or the paper application signing method. The financial personnel of the Branch shall check the approval details. The Financial Sharing Center shall spot check important affairs.
5. The financial personnel of the Branch shall examine how the business hospitality expenses, domestic traveling expenses, loan collateral registration expenses, and water and electricity expenses which are reviewed and approved by sub-branch heads as authorized.
6. The depreciation, deferred expense amortized, intangible assets amortized, trade union funds accrued, and education funds shall be booked automatically by the system.
7. Except for the suspense of current accounts for daily operation settlement and advance payments under contracts, the suspense of other receivables under contracts shall be reviewed and approved with reference to the approval authorization for financial expenses.
8. Fixed assets reassignment management: Applications for reassigning vehicles among different branches shall be reported to the Head Office for approval one by one. Applications for reassigning self-service machines among different branches shall be submitted to the Retail Banking Department of the Head Office for approval. Applications for reassigning other fixed assets among different branches shall be sent to the Head Office for filing purpose. Applications for reassigning assets within a branch shall be approved by the asset management department of the branch.

Appendix 3:

Financial Affairs Approval Procedures for Non-local Sub-branches Directly Managed by Tier-1 Branches of China CITIC Bank

Unit: RMB10,000

No prior financial approval in writing is required	Category of expense	Amount approved by the Branch	Final approval institution	Department/institution involved	Prior written approval							Reimbursement approval				
					Non-local sub-branch					Tier-1 branch	Head Office	Non-local sub-branch		Tier-1 branch		
					Handler	Departmental head	Financial chief	Branch leader in charge of financial affairs	Non-local sub-branch head			Handler	Sub-branch head	Head of the Financial Accounting Department	Financial personnel of the Branch (approver)	
	Expense category															
	Business hospitality expense	[0,0.2]	Non-local sub-branch	Non-local sub-branch								1	2		3	
		(0.2,0.5]	Branch									1	2	3		
	Domestic traveling expense	Within the prescribed standard	Non-local sub-branch	Non-local sub-branch								1	2		3	
	Loan collateral registration expense, water and electricity expense, heating expense	[0, within the non-local branch's authority]	Non-local sub-branch	Non-local sub-branch								1	2		3	
	Printing expense, material expenses, traffic expenses, office expense, repair charge (excluding repair charge on business premise), low-value consumables, business promotion expense, collateral evaluation expense, business postage, conference expense (within the prescribed standard)	[0,0.5]	Non-local sub-branch	Non-local sub-branch								1	2	3		
	Electronic equipment operation expense, afforestation expense	[0,0.5]	Non-local sub-branch	Centralized management								1	2	3		

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				nt department											
Prior financial approval in writing is required	Category of expense	Amount approved by the Branch	Final approval institution	Department/institution involved	Prior written approval							Reimbursement approval			
					Non-local sub-branch					Tier-1 branch	Head Office	Non-local sub-branch		Tier-1 branch	
					Handler	Departmental head	Financial chief	Branch leader in charge of financial affairs	Non-local sub-branch head			Handler	Sub-branch head	Head of the Financial Accounting Department	Financial personnel of the Branch (approver)
	Expense category														
	Business hospitality expense (within the prescribed standard)	(0.5, within the non-local branch's authority]	Non-local sub-branch	Non-local sub-branch	1	2	3	4	5			6	7		8
	Printing expense, material expenses, traffic expenses, office expense, repair charge (excluding repair charge on business premise), low-value consumables, business promotion expense, collateral evaluation expense, business postage, conference expense (within the prescribed standard)	(0.5, within the non-local branch's authority]	Non-local sub-branch	Non-local sub-branch	1	2	3	4	5			6	7		8
Domestic traveling expense, business hospitality expense, conference expense going beyond the prescribed standard	[0, within the non-local branch's authority]	Non-local sub-branch	Centralized management department	1	2	3	4	5			6	7		8	

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Insurance expense, cash delivery expense, security expense, credit reporting service expense, notarial expense, audit service expense on decoration project for pre-settlement purpose, dedicated line rental expense, self-service equipment maintenance expense, tax expense, litigation expense, case handling expense, arbitration expense, uniform-related expense (incurred by the centralized procurement made by the Head Office within the permitted price range)	[0, within the non-local branch's authority]	Non-local sub-branch	Centralized management department	1	2	3	4	5			6	7		8
Salary disbursed	[0, within the annual budget]	Non-local sub-branch	Centralized management department	1	2			3			6	7		8
Staff insurance, housing provident fund, housing allowance, transitional pension subsidy, termination benefits, other expenses in the category of salary	[0, within the annual budget]	Non-local sub-branch	Centralized management department	1	2	3	4	5			6	7		8
Staff education expense payable	[0, within the annual budget]	Non-local sub-branch	Centralized management department	1	2	3	4	5			6	7		8
Electronic equipment operation expense, afforestation expense	[0.5, within the non-local branch's authority]	Non-local sub-branch	Centralized management department	1	2	3	4	5			6	7		8
Advertising expense, lawyer's fee, advisory fee, audit fee, organization cost, labor outsourcing cost, business premise rental, software development and system implementation expense, software	[0, within the non-local branch's authority]	Non-local sub-branch	Centralized management department	1	2	3	4	5			6	7		8

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	maintenance cost, labor protection expense, property management expense, other business expenses														
	International traveling expense	-	Head Office	Branch department	1	2	3	4	5	6	7	8	9		10
	Capital expenditure														
	Purchase of business premise and official vehicle	-	Head Office	Centralized management department	1	2	3			4	5	6	7	8	9
	Decoration of business premise	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
	Rental of business premise	-	Head Office	Centralized management department	1	2	3	4	5	6	7	8	9		10
	Technological input in the category of customer service	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
	General technological input	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
	Purchase of general fixed assets and self-service equipment	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
	Non-operating income/expenditure and suspense														
	Non-operating income and expenditure from disposal of fixed assets	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9

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	Non-operating income not from disposal of fixed assets	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
	Local charge item	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
	Default compensation, violation-related fine, business dispute-caused compensation, external donation, other non-operating expense	-	Tier-1 branch	Centralized management department	1	2	3	4	5	6		7	8		9
	Suspense of administrative financial expense	-	Tier-1 branch	Centralized management department	Implemented as per the <i>Administrative Measures of China CITIC Bank for Suspense of Administrative Financial Expense (Version 1, 2019)</i>							7	8		9

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